Required Report - public distribution

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Australia

Sugar Semi-annual

2011

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Report Highlights:
Excellent weather/harvesting conditions have contributed to higher cane sugar content, consequently Post's estimate of Australia's 2011/12 sugar production has been increased to 4.15 million tons, and exports to 2.75 million tons.

Commodities:

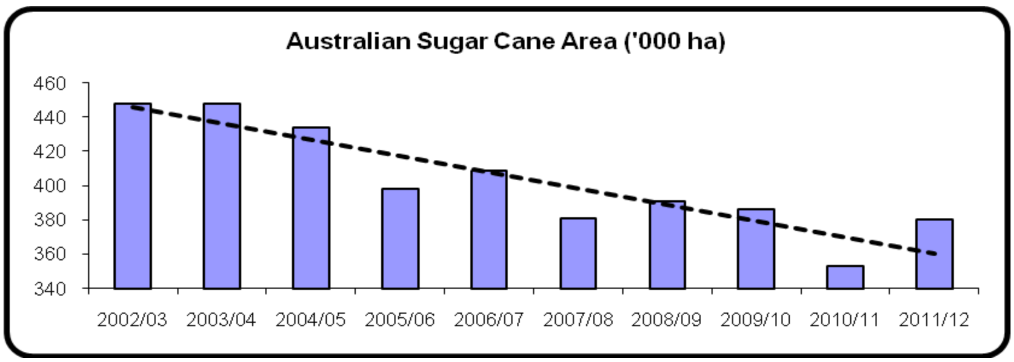
Sugar Cane for Centrifugal

Sugar, Centrifugal

Total Cane Area (cut for crushing)

The 2011/12 cane harvest is well ahead of schedule, passing the half way mark by late September. An early start to the harvest, combined with almost perfect harvesting conditions, is likely to see harvest completed much earlier than normal.

Forecast cane area for 2011/12 remains unchanged at 380,000 hectares. Despite a sharp year-over-year increase, this forecast remains well below the ten-year average. The ongoing affects of wet weather in CY 2010 and damage suffered during cyclone "Yasi", have constrained greater increases in planted area.



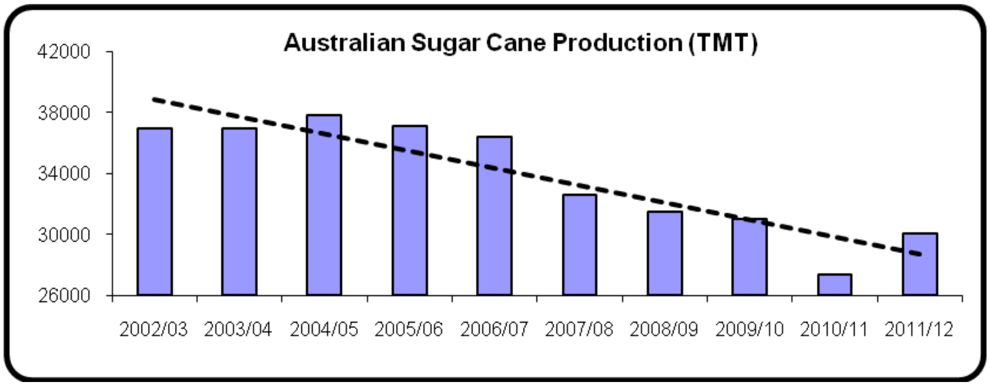
Source: ABARES Data

The 2010/11 area estimate also remains unchanged at 353,000 hectares, the lowest level since 1993/94. The 2010/11 harvest was effectively cut short by very heavy rainfall during the second half of the harvest. Industry sources estimate that around 60,000 hectares remained un-harvested at the conclusion of the 2010/11 season and this "stood over" cane has been harvested in 2011/12.

Sugar Cane Production

Forecast sugar cane production for 2011/12 remains unchanged at 30,000 TMT (30 MMT). A return to normal weather conditions has created a substantial improvement in harvesting conditions for the 2011/12 crop.

Estimated area for 2010/11 has been revised upwards slightly to 27,450 TMT (27.45 MMT), in line with recently published industry data. Difficult harvesting conditions left significant quantities of the 2010/11 cane crop un-harvested and this limited the overall total area. This would represent the smallest cane crush since 1991/92, according to ABARES historical data.

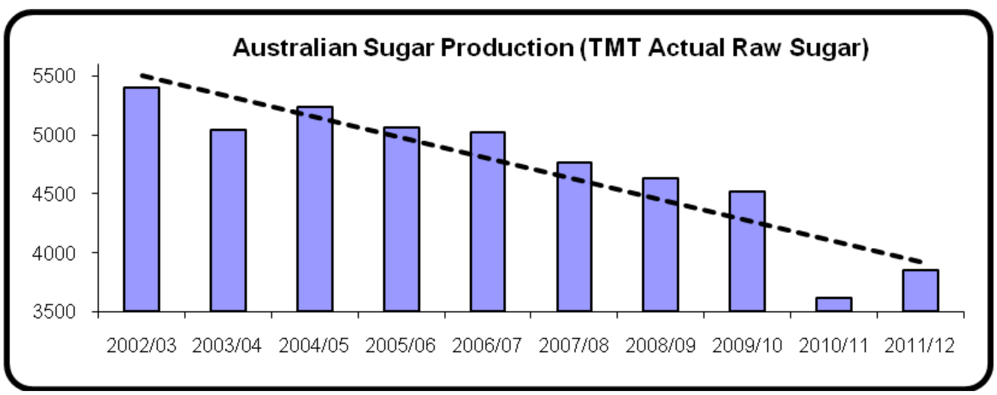


Source: ABARES Data

Sugar Production

Estimated sugar production for 2011/12 has been revised upwards to 4.15 MMT (IPS), representing around 4.0 MMT of sugar in typical raw form (using a conversion factor of 1.037). Despite this increase, this forecast is considered well below the ten-year, average level of production, of 4.72 MMT.

Excellent harvesting conditions have seen some above-average commercial cane sugar (CCS) yields which is likely to boost overall sugar production. Post advises that some of the best sugar yields have been achieved just prior to writing this report. Should this situation persist for the remainder of the cane harvest, overall sugar production for 2011/12 would likely be revised further upwards in subsequent reports. Industry sources place the upside potential of the 2011/12 crop at 4.4 MMT (IPS).

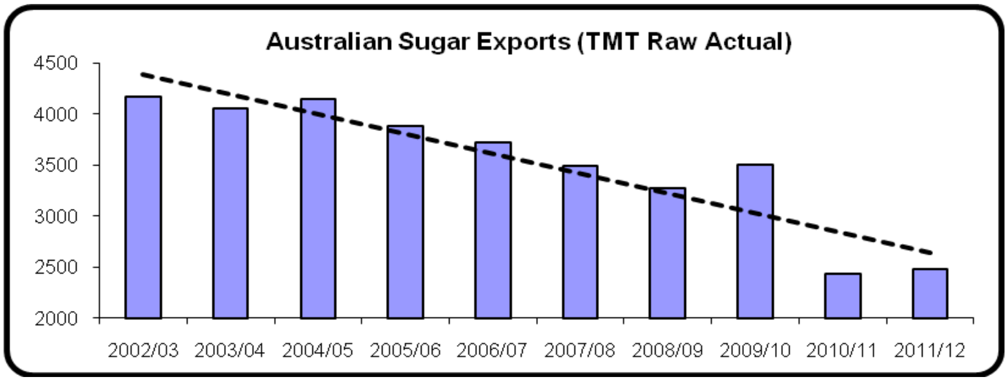


Source: ABARES Data

Sugar production estimates for 2010/11 remain unchanged at 3.7 MMT, the lowest level of production since 1991/92. Poor harvesting conditions together with a lower CCS yields, due to high rainfall and less sunshine, combined to dramatically reduce cane crush and overall sugar production.

Exports

The forecast for total 2011/12 exports has been revised upwards to 2.95 MMT. Despite this increase, exports at this level would be considered low, as the ten-year average stands at 3.52 MMT.



Source: ABARES Data

Estimated exports for 2010/11 remain unchanged at 2.75 MMT, the lowest level since 1991.

Prices

According to recent ABARE reports, farm gate prices for sugar cane are expected to decline by AU$1.35 in 2011/12 to AU$42.35 per MT. Prices received for raw sugar in Australia are expected to range from AU$505 to AU$565 per MT in 2011/12.

Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at: http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp.

Title of Report	Date
Livestock and Products Annual 2011	08/31/11
FAIRS Country Report	08/17/11
Stone Fruit Annual 2011	08/11/11
US Cherries Break Through Quarantine Barrier into Western Australia	07/19/11
Agricultural Biotechnology Report	06/29/11
Exporter Guide	06/22/11
Sugar Update 2011	06/20/11
Ag DownUnder June 2011	06/07/11

Production, Supply and Demand Data Statistics:

Sugar Cane for Centrifugal Australia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	365	386	390	353		380
Production	30,000	31,027	32,000	27,450		30,000
Total Supply	30,000	31,027	32,000	27,450		30,000
Utilization for Sugar	30,000	31,027	32,000	27,450		30,000
Utilizatn for Alcohol	0	0	0	0		0
Total Utilization	30,000	31,027	32,000	27,450		30,000
1000 HA, 1000 MT						

Sugar, Centrifugal Australia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	487	487	413	413	293	193
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	4,700	4,700	3,800	3,700	4,000	4,150
Total Sugar Production	4,700	4,700	3,800	3,700	4,000	4,150
Raw Imports	10	11	16	16	18	18
Refined Imp.(Raw Val)	66	67	64	147	62	147
Total Imports	76	76	80	80	80	80
Total Supply	5,263	5,263	4,293	4,193	4,373	4,423
Raw Exports	3,400	3,400	2,550	2,550	2,650	2,750
Refined Exp.(Raw Val)	200	200	200	200	200	200
Total Exports	3,600	3,600	2,750	2,750	2,850	2,950
Human Dom. Consumption	1,250	1,250	1,250	1,250	1,250	1,250
Other Disappearance	0	0	0	0	0	0
Total Use	1,250	1,250	1,250	1,250	1,250	1,250
Ending Stocks	413	413	293	193	273	308
Total Distribution	5,263	5,263	4,293	4,193	4,373	4,508
1000 MT						